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PD-AAM-697

To : The Files

November 30, 1978

From : Phillip Church, PRO/ECON *PEC*
Akhter Ahmed, AGR *Akhter Ahmed*

Subject : Chemical Fertilizer Price and Purchase Assessment

Ref : Fertilizer Distribution Improvement Project

Background

As an initial step in the Fertilizer Distribution Improvement Project, AID is assisting the Bangladesh Government in expanding the supply of fertilizer in the Chittagong Division during 1978/79. The success of the fertilizer supply program will depend on whether or not farmers in remote areas are able to purchase all the fertilizer they need at official government prices. HEED and MCC have agreed to cooperate with USAID in collecting information from farmers in remote villages where they are working with farmer fertilizer users.

To monitor what farmers are actually paying for fertilizer, "Farmer Fertilizer Price and Purchase Forms" (copy attached) will be filled out by the HEED and MCC extensionists posted in twelve project villages in Sylhet, Comilla and Noakhali Districts of Chittagong Division. These forms are to be filled out over the next six months (November 1978 to April 1979), on a weekly basis. The HEED and MCC extension agents will turn in the completed forms weekly to their supervisors for forwarding to Dacca.

Villages in remote areas were selected to conduct the monitoring in order to be able to assess the impact of distance and poor communications on fertilizer availability, sales and prices. A profile of each survey village follows.

Sylhet District

1. Ghuspur Village, Shamsdernagar Union, Kamalganj Thana

Location: Two miles by dirt road from Shamsdernagar Town and nine miles from Kamalganj Thana headquarters.

Means of Transport: Rickshaw and by foot; bridges are out which precludes bullock carts.

Major Crops: Aus and Aman rice; some vegetables and potatoes.

Other Features: A community of largely small Hindu land-owners on acidic clay-loam soils some of which are subject to flooding. Some HYV's in evidence.

2. Sonapur/Bharatpur Villages, Shamsdernagar Union, Kamalganj Thana

Location: These two neighbouring villages are 1.25 miles from Shamsdernagar and 8.25 miles from Kamalganj H.Q. by dirt road.

Means of Transport: By foot and rickshaw

Other Features: Largely small muslim and hindu owner-cultivators, some borga tenant cultivators.

3. Radhanagar Village, Shamsdernagar Union, Kamalganj Thana

Location: On main pucca road 1.5 miles from Shamsdernagar, 8.5 miles from Kamalganj Thana H.Q. and 10 miles from Moulvi Bazar Sub-divisional H.Q.

Means of Transport: Foot, rickshaw, truck. (Some farms are as much as two miles off the main road, however).

Major Crops: Aus/Aman and some Boro rice; potatoes.

Other Features: Mostly small muslim owner-cultivators.

Noakhali District

1. Char Jabbar, Sudharam Thana, Noakhali District

Location: About 17 miles from Maijdi, Noakhali District Headquarters; 15 miles from nearest paved road.

Means of Transport: Bus, truck boat or bullock cart.

Major Crops: Aus and Aman rice, pulses and oilseeds.

Other Features: Has no electricity; is covered by TCCA and has operating KSS.

MCC Staff Contacts: Rezaul Karim Ershad (TAC); Russ Toevs (Supervisor); Derek D'Silva (Project Manager). MCC has been operating in this area for the last 5 years.

2. Char Bata, Sudharam Thana

Location: About 18 miles from Maijdi; 18 miles from nearest paved road.

Means of Transport: Bus/truck available in dry season; in rain season, water ways only.

Major Crops: Aus and Aman rice, pulses, oilseeds.

Other Features: Has no electricity; is covered by TCCA and has operating KSS.

MCC Staff Contacts: Md. Abul Bashir (TAC); Russ Toevs (Supervisor); Derek D'Silva (Project Manager). MCC has been operating in this area for the last 5 years.

3. Char Alexander, Ramgoti Thana

Location: 50 miles from Maijdi; 25 miles from nearest paved road.

Means of Transport: Bus, truck, launch, boat, bullock cart.

Major Crops: Aman rice, peanuts, pulses.

Other Features: Has no electricity; is covered by TCCA and has operating KSS.

MCC Staff Contacts: New TAC will be posted on Nov. 1, 1978; Derek D'Silva (Supervisor and Project Manager). MCC had been operating in this area for $1\frac{1}{2}$ years, then withdrew for $1\frac{1}{2}$ years, and will go into operation again from Nov. 1, 1979.

4. Sonagazi Char, Sonagazi Thana

Location: 49 miles from Maijdi; 8 miles from nearest paved road.

Means of Transport: In dry season, buses and trucks are available, but in rainy season water transports and bullock carts are the only means of transport.

Major Crops: Aus, Aman, and Boro rice, vegetables, ground nuts, soybean, sunflower.

Other Features: Has no electricity; is covered by TCCA and has operating KSS.

MCC Staff Contacts: Modhusudan Paul (TAC); Richard Dick (Supervisor); Herb Wiebe (Project Manager). MCC has been operating in this area for the last $5\frac{1}{2}$ years.

Comilla District

1. East Chandla, Burichong Thana

Location: 28 miles from Comilla District Headquarters; 4 miles from nearest paved road.

Means of Transport: Water ways only.

Major Crops: Aus and Boro rice, jute, vegetables, oil seeds.

Other Features: Has no electricity; is covered by TCCA and has operating KSS.

MCC Staff Contacts: Md. Mohsin (TAC); John Deelstra (Supervisor); Dave Kempf (Project Manager). MCC has been operating in this area for the last one year.

2. Homna, Homna Thana

Location: About 40 miles from Comilla District H. Q.

Means of Transport: Water transport only - launch or boat.

Major Crops: B. Aman (deep water) and Boro rice, wheat, mustard, pulses, chillies.

Other Features: Has no electricity; is covered by TCCA and has operating KSS.

MCC Staff Contacts: A. Rahman (TAC); John Deelstra (Supervisor); Dave Kempf (Project Manager), MCC has been operating in this area for the last one year.

3. Payalgacha, Barura Thana

Location: About 25 miles from Comilla District H. Q.
2 miles from nearest paved road.

Means of Transport: Bus, truck, rickshaw.

Major Crops: Aus, Aman, and Boro rice, wheat, oil seeds, vegetables, potatoes.

Other Features: Has electricity; is covered by TCCA and has operating KSS.

MCC Staff Contacts: Matiur Rahman (TAC); Dave Kempf (Supervisor and Project Manager). MCC has been operating in this area for the last one year.

4. Chandpur, Chandpur Thana

Location: 45 miles from Comilla District H. Q.

Means of Transport: Bus, truck, train, launch, steamer, boat.

Major Crops: Aus and Aman rice, wheat, winter vegetables, mustard, potato, sugarcane.

Other Features: Has electricity; a BADC Intermediary Fertilizer Godown is operating; is covered by TCCA and has operating KSS.

MCC Staff Contacts: Mani Lal Shaha (TAC); Len Jewitt (Supervisor); Dave Kempf (Project Manager). MCC has been operating in this area for the last two years.

Table 1

Kamalganj Thana Godown

Monthly Fertilizer Sales - July 1977 to October 1978

(Values in maunds of product)

<u>Month</u>	<u>Urea</u>	<u>TSP</u>	<u>MP</u>
July 1978	1,401	695	34
Aug. "	2,140	1,504	691
Sept. "	4,469	1,129	276
Oct. "	1,143	99	44
Nov. "	168	82	9
Dec. "	696	146	38
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Jan. 1978	773	157	72
Feb. "	284	189	54
Mar. "	551	46	8
Apr. "	152	63	9
May "	1,896	1,286	116
June "	3,631	599	68
July "	2,441	172	6
Aug. "	272	549	18
Sept. "	3,381	664	11
Oct. "	2,227	162	21

Source: BADC Kamalganj Thana Godown Storekeeper

ANNEX A

FARMER FERTILIZER PURCHASE AND PRICE FORM

(See reverse side for instructions)

Date (_____) Surveyor (_____) Code (_____) (_____)

Location (_____) (_____)
District Thana Union Village

Farmer respondent's name (_____) (_____)

Crop cultivated : (_____) Crop area cultivated (_____ acres) (_____)

Total land area owned (_____ acres) sharecropped (_____ acres) (_____)

Where was fertilizer purchased ? (_____) (_____)

How far was fertilizer transported ? (_____ miles) (_____)

What means was used to transport the fertilizer ? (_____) (_____)

Farmer's Actual Fertilizer Purchase

<u>Fertilizer</u>	<u>Total Volume</u>	<u>Total Cost</u>	<u>Availability</u>
Urea	_____ seers	_____ taka	A S L N () () ()
TSP	_____ seers	_____ taka	A S L N () () ()
MF	_____ seers	_____ taka	A S L N () () ()
Dung	_____ seers	_____ taka	A S L N () () ()
Oil Cake	_____ seers	_____ taka	A S L N () () ()

Volume - indicate total amount purchased in seers

Value - total cost of purchase in Taka

Availability - indicate condition of supply, abundant (A); satisfactory (S); limited (L); none (N).

Other Comments :

Instructions to Interviewer

AID is assisting the Bangladesh Government in expanding the supply of fertilizer in the districts where ~~AED~~ has agriculture programs. The success of the fertilizer supply program will depend on whether farmers in remote areas are able to purchase the fertilizer they need at official government prices : Urea - 70 Taka/maund or 1.75 Taka/seer; TSP - 55 Taka/maund or 1.40 Taka/seer and MP - 45 Taka/maund or 1.15 Taka/seer.

To monitor what farmers are actually paying for fertilizer these Farmer Fertilizer Price and Purchase Forms are to be filled out over the next six months (November 1978 to April 1979), on a weekly basis.

Procedure :

- 1) Each week fill out the information on the reverse side for about 5 to 10 farmers regarding their fertilizer purchases;
- 2) Fill out one form for each farmer - Different farmers may be interviewed each week. Interview the same farmer again only if he has purchased fertilizer again during the new period;
- 3) Crop - indicate principal crop on which fertilizer is to be used;
- 4) Area Cultivated - indicate area cultivated for that crop;
- 5) Area Owned or Area Sharecropped - in acres (or decimals of acres);
- 6) Where fertilizer purchased - Hat, bazar, dealer, neighbor, other;
- 7) Distance fertilizer moved - the number of miles between the farmer's field and the place where he bought the fertilizer;
- 8) How transported - Head/back, bullock, rickshaw, horse, other;
- 9) Volume - How much did the farmer buy (indicate in seers);
- 10) Total Cost - What is the total cost of his fertilizer purchase?
- 11) Availability - Did the farmer find supply to be abundant (A); satisfactory (S); limited (L); or none (N); Circle which;
- 12) Turn the completed forms in weekly to your supervisor for forwarding to the HEED office in Dacca.

Annex B: Persons Contacted

Persons Contacted

MCC

Mr. Herb Wiebe	-	MCC Project Manager, Feni
Mr. Dave Kempf	-	MCC Project Manager, Comilla
Mr. Derek D'Silva	-	MCC Project Manager, Maijdi
Mr. Rezaul Karim Ershad	-	TAC, Char Jabbar, Sudharam
Mr. Md. Mohsin	-	TAC, Chandla, Burichong
Mr. A. Rahman	-	TAC, Homna
Mr. Md. Abul Bashar	-	TAC, Char Bata, Sudharam
Mr. Matiur Rahman	-	TAC, Poyalgacha, Barura
Mr. Mani Lal Shaha	-	TAC, Chandpur
Mr. Madhusudhan Paul	-	TAC, Shonagazi Char, Shonagazi

HEED

Mr. Noel Magor	-	Agriculture Advisor
Mr. Bob Hansford	-	Fisheries Advisor
Mr. Amalenda Paul	-	Farm Supervisor
Mr. Abdus Suhban	-	Agronomy Extension Assistant
Mr. Shubas Chandra Pal	-	Agronomy Extension Assistant
Mr. George Boidya	-	Agronomy Extension Assistant

Annex C: Kamalganj Thana - Fertilizer Situation

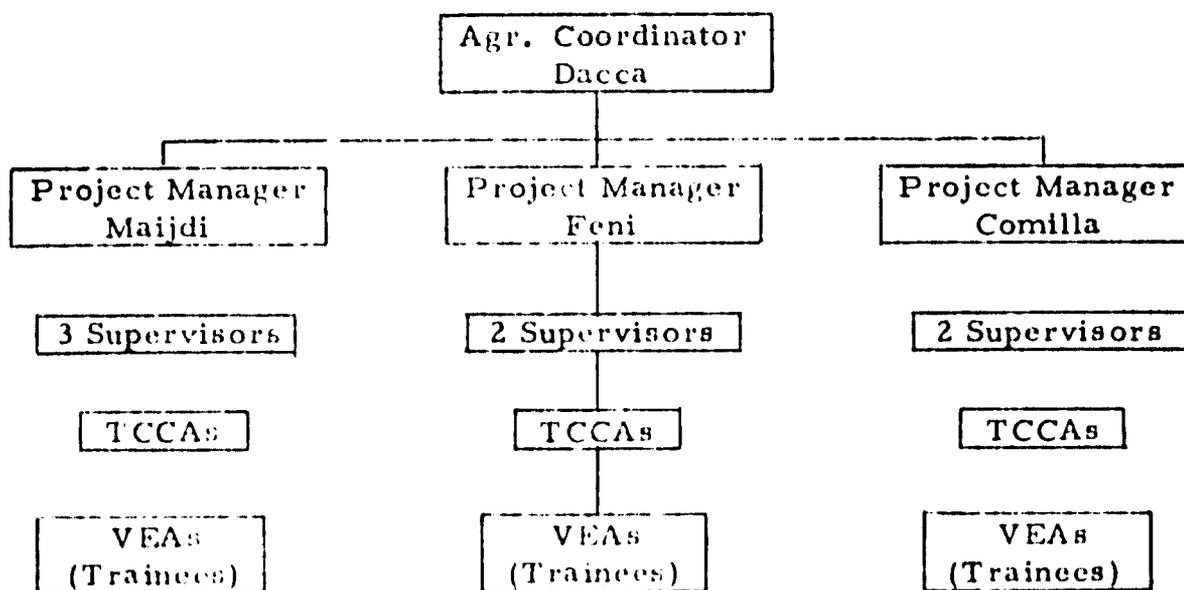
Kamalganj is one thana in Sylhet where BADC will continue to operate a fertilizer godown under the new distribution scheme. At present BADC rents a 400 ton (11,000 maund) tin roof, thatch-walled warehouse from which it distributes fertilizer in Kamalganj Thana.

I visited the warehouse and found it fairly well stocked in an orderly and clean fashion with fertilizer. Inventory as of October 31, 1978 was: Urea - 3629 maunds; TSP - 1,119 maunds; and MP - 447 maunds; Total - 5185 maunds.

The BADC storekeeper forecast no shortages in Kamalganj if his stock were sold within the Thana. If oftakes followed the pattern of 1977/78, he had enough inventory on hand to last through next April. Except for October, his sales have been below those of a year earlier. (See Table 1.) Farmers didn't have the cash to buy this year; many others suffered flooding that reduced their demand; and now a draught was affecting aman crops.

The storekeeper had 56 dealers licensed to operate in the Thana last year and felt their numbers would stay about the same under the new distribution scheme. He demonstrated an awareness of the scheme when queried about it. He was concerned that the 30 maund minimum oftake for dealers was too high in his thana and recommended it be lowered to 15 maunds.

Annex D: MCC Agriculture Organizational Chart



List of MCC Project Managers and Supervisors

Agr. Coordinator : Wayne Miller

Project Managers

Comilla: Dave Kempf

Feni : Herb Wiebe

Maijdi : Derek D'Silva

Supervisors

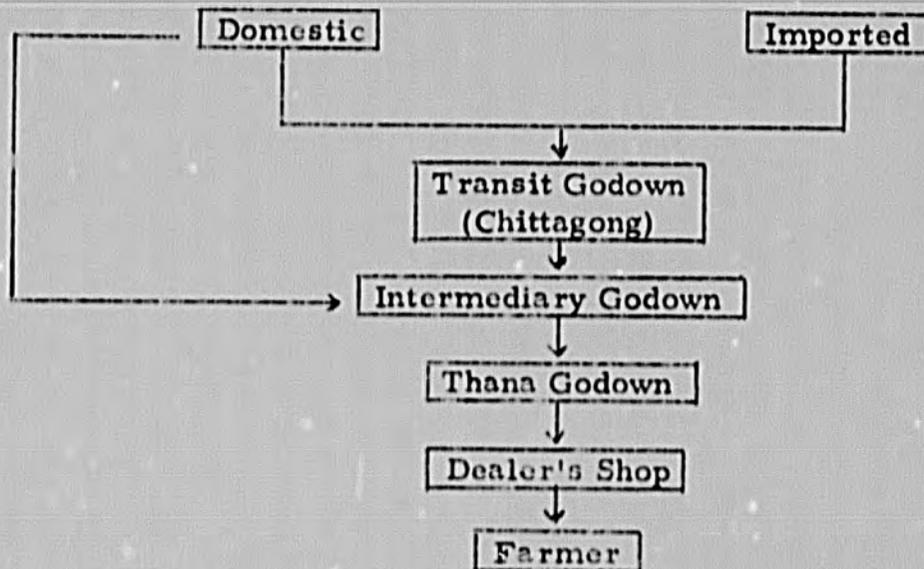
Len Jewitt
John Deeltra

Richard Dick
Paul Richardson

Russ Toevs
Karl Enoekson
Duane Auch

Annex E: Fertilizer Distribution Channels - Present and Proposed

Present Distribution Channel of Fertilizer to Farmers



Proposed Distribution Channel of Fertilizer to Farmers

